

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

101ST GENERAL ASSEMBLY

BILL NO: **SB 2767**

February 5, 2020

SPONSOR (S): Martwick

SYSTEM(S): Cook County Forest Preserve Article

FISCAL IMPACT: SB 2767 would allow the Cook County Forest Preserve District to use other available funds in place of the current statutorily required annual property tax levy for purposes of making employer contributions to the Cook County Forest Preserve Pension Fund. According to the pension fund's 2018 Comprehensive Annual Financial Report (CAFR), the fund had an unfunded liability of \$110 million and a funded ratio of 64.8%. The report states that the current statutorily-mandated tax levy multiplier of 1.30 represents less than 32% of the actuarially-required contribution. The report also projects an insolvency date of 2037.

SUBJECT MATTER: SB 2767 amends the Cook County Forest Preserve Article of the Pension Code to provide that the Forest Preserve District may use other available funds in place of all or part of the statutorily-mandated annual property tax levy.

COMMENT: Under current law, the Cook County Forest Preserve District's total contribution to the pension fund is the amount of contributions made by the employees to the Plan in the calendar year two years prior to the year for which annual applicable tax is levied, multiplied by 1.30. SB 2767 amends the Cook County Forest Preserve District Article of the Pension Code to allow the Forest Preserve District to use other lawfully available funds in lieu of all or part of the aforementioned levy. The bill does not specify the source of these funds, nor the amount by which they would exceed the contribution amounts generated by the current tax levy multiplier. The tax levy multiplier generated \$4.1 million in employer contributions in FY 2018, and \$3.5 million in FY 2017.

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